



## **COMMUNITY DEVELOPMENT COMMISSION**

### **County of Los Angeles**

2 Coral Circle • Monterey Park, CA 91755

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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
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*Commissioners*

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**Carlos Jackson**

*Executive Director*

December 7, 2004

Honorable Board of Commissioners  
Community Development Commission  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Commissioners:

**APPROVE AN INCREASE TO THE LOAN AGREEMENT WITH SAN FERNANDO  
SENIOR HOUSING L.P., TO DEVELOP HOUSING IN THE CITY OF SAN FERNANDO (3)  
(3 Vote)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve an increase of up to \$195,000 to the approved Home Investment Partnerships (HOME) Program loan between the Community Development Commission and San Fernando Senior Housing, L.P., (the Developer), from \$2,940,000 up to a maximum of \$3,135,000, to cover unanticipated, increased construction costs for San Fernando Senior Housing, a 98-unit affordable senior rental housing development to be located at three sites in the City of San Fernando, identified in Attachment A, known as the Las Palmas I, Las Palmas II, and Park Avenue sites.
2. Authorize the Executive Director to incorporate up to \$195,000 in HOME funds into the Commission's Fiscal Year 2004-2005 approved budget, for the purposes described above.
3. Authorize the Executive Director to execute the Loan Agreement, and all related documents, including those to subordinate the Commission's loan to permitted construction and permanent financing, to be effective following approval as to form by County Counsel and execution by all parties.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to approve an increase of the HOME loan with the Developer to cover unanticipated, increased construction costs for development of San Fernando Senior Housing.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund. The Commission's \$2,940,000 HOME loan to the Developer will be increased by up to \$195,000 in HOME funds, which will be incorporated into the Commission's approved Fiscal Year 2004-2005 budget.

The increase in the loan amount will bring the Commission's total HOME commitment up to a maximum of \$3,135,000. With this exception, all other terms and conditions of the original HOME Loan Agreement will remain the same. A Financial Analysis is provided as Attachment B.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On June 15, 2004, your Board approved a HOME Loan Agreement between the Commission and the Developer to fund development of San Fernando Senior Housing, a 98-unit affordable senior rental housing development to be located in the City of San Fernando. Construction has not yet begun and the HOME Loan Agreement has not been executed. All construction financing is scheduled to close in mid-December 2004, followed immediately by the start of construction. However, because construction costs have increased significantly throughout the industry, the proposed project has a \$195,000 funding gap, which the Commission proposes to bridge with increased HOME funds.

With the approval of the revised HOME loan amount, the Loan Agreement will be executed, after which construction can commence.

Request for the approval of the issuance of up to \$6,400,000 in Multifamily Housing Mortgage Revenue Bonds for the project is being submitted to your Board as a separate item on today's agenda.

**ENVIRONMENTAL DOCUMENTATION:**

An Environmental Assessment was prepared for the San Fernando Senior Housing project pursuant to the requirements of the National Environmental Policy Act of 1969 (NEPA). Based on the conclusions and findings of the Environmental Assessment, a Finding of No Significant Impact was approved by the Community Development Commission on January 13, 2004. Following the required public and agency comment period, HUD issued a Release of Funds for the project on January 29, 2004.

Consistent with the provisions of the California Environmental Quality Act (CEQA) Guidelines, Article 14, Section 15221, notice was provided to the public that the Environmental Assessment would be used in place of an Initial Study to satisfy CEQA requirements. The Environmental Assessment/Mitigated Negative Declaration (EA/MND) was circulated for public review as required by state and local law.

Adoption by the County of Los Angeles of the EA/MND and the Mitigation Monitoring and Reporting Plan on June 15, 2004, and filing of a Notice of Determination, meets the requirements of CEQA.

The environmental review record is available for viewing by the public during business hours at the Housing Authority's main office located at 2 Coral Circle, Monterey Park.

**IMPACT ON CURRENT PROJECT:**

Approval of the additional HOME funds will offset increased construction costs, thereby allowing the development of San Fernando Senior Housing to proceed.

Respectfully submitted,

CARLOS JACKSON  
Executive Director

Attachments: 2

# ATTACHMENT A

## SITE INFORMATION

San Fernando Senior Housing

(3 scattered sites)

| Site 1: Las Palmas I |              |              |
|----------------------|--------------|--------------|
| Address*             | APN          | Census Track |
| 467 S Kalisher St    | 2521-013-900 | 3203.002     |
| 451 S Kalisher St    | 2521-013-001 | 3203.002     |
| 455 S Kalisher St    | 2521-013-002 | 3203.002     |

| Site 2: Las Palmas II |              |              |
|-----------------------|--------------|--------------|
| Address*              | APN          | Census Track |
| 1300 Celis St         | 2521-015-900 | 3203.002     |
| 1300 Celis St         | 2521-015-901 | 3203.002     |
| 1300 Celis St         | 2521-015-902 | 3203.002     |
| Celis St              | 2521-015-903 | 3203.002     |
| Celis St              | 2521-015-904 | 3203.002     |
| 1303 Pico St          | 2521-015-032 | 3203.002     |
| 1311 Pico St          | 2521-015-023 | 3203.002     |
| 1311 Pico St          | 2521-015-022 | 3203.002     |

| Site 3: Park Avenue |              |              |
|---------------------|--------------|--------------|
| Address*            | APN          | Census Track |
| First/Park Avenue   | 2519-020-900 | 3202.005     |
| 66 Jessie St        | 2519-020-026 | 3202.005     |
| 165 Park Ave        | 2519-020-027 | 3202.005     |
| 100 Jessie St       | 2519-020-028 | 3202.005     |

\* All sites are located in the City of San Fernando, CA 91340

## ATTACHMENT B

### FINANCIAL ANALYSIS

#### San Fernando Senior Housing

The project consists of 98 senior rental units to be located on three scattered sites in the City of San Fernando (see Attachment A for Site Information). Forty-eight units will be reserved for seniors with household income not exceeding 50 percent of the area median income (AMI) for the Los Angeles/Long Beach Metropolitan Statistical Area (MSA), adjusted for family size, and 48 units will be reserved for qualified, low-income seniors with household income not exceeding 60 percent of AMI for the MSA, adjusted for family size. Two units will be reserved for the on-site managers, one for each site. The following is a financial analysis of the development based on currently available data on construction and permanent sources and uses.

|   | Total               | Per Unit         |
|---|---------------------|------------------|
| <b><u>Construction Phase:</u></b>               |                     |                  |
| <b>Sources</b>                                  |                     |                  |
| Construction Loan (Tax Exempt Bond)             | \$6,400,000         | \$65,306         |
| Commission (HOME)                               | 3,135,000           | 31,990           |
| Deferred Developer Fee                          | 711,886             | 7,264            |
| Low-Income Housing Tax Credit (Equity Investor) | 1,649,926           | 16,836           |
| City of San Fernando                            | 293,542             | 2,995            |
| <b>Total Uses</b>                               | <b>\$12,190,354</b> | <b>\$124,391</b> |
| <b>Total Development Cost</b>                   | <b>\$12,190,354</b> | <b>\$124,391</b> |
| <b><u>Permanent Phase:</u></b>                  |                     |                  |
| <b>Sources</b>                                  |                     |                  |
| Permanent Loan (Tax Exempt Bond)                | \$3,360,000         | \$34,286         |
| Commission (HOME)                               | 3,135,000           | 31,990           |
| Deferred Developer Fee                          | 711,886             | 7,264            |
| Low Income Housing Tax Credit (Equity Investor) | 4,689,926           | 47,856           |
| City of San Fernando                            | 293,542             | 2,995            |
| <b>Total Uses</b>                               | <b>\$12,190,354</b> | <b>\$124,391</b> |
| <b>Total Development Cost</b>                   | <b>\$12,190,354</b> | <b>\$124,391</b> |